

STRATFORD-UPON-AVON TOWN COUNCIL

TOWN COUNCIL MEETING

15 JUNE, 2021

TOWN CLERK'S OPEN REPORT

1) **Financial Statements (Annual Accounts) for the Year Ended 31 March 2021**

- **To approve the Accounts for the year ended 31 March 2021**

It is necessary for Council to approve the Financial Statements (Annual Accounts) and Annual Governance and Accountability Return (AGAR) in June each year, as the deadline date for submission to the External Auditor is before 1 July. The responsibility to approve these documents cannot be delegated to a Standing Committee.

The year end Accounts, attached as **Appendix 'A'**, were presented at the Finance & Audit Pre-Decision/Discussion Consultation meeting on 8 June 2021. It was

RECOMMENDED: That the Financial Statements (Annual Accounts) for the year 2020-21 be approved by Council.

The accounts show a **net deficit for the year of £111,932** (compared to a deficit of £83,269 in 2019-20).

Council's Reserves have been adjusted as follows:

- There is a **net transfer of £69,434 to Designated Reserves** following a reduction in the Building Maintenance Reserve for work undertaken on the Town Hall and a reduction in the Shakespeare's Birthday Celebration Reserve to cover storage costs of equipment. The rise in the Designated Reserves total is a result of the introduction of a number of new reserves (see below).

The **General Reserve fell by £181,366 to £261,024**. This is significantly less than the original budgeted deficit for 2020-21 of

£295,705. There were significant income losses due to the coronavirus pandemic restrictions, but these also caused a significant underspend due to cancellation of civic events and delays to Town Hall external maintenance and repairs.

- As determined during the Budget review process for the last four years, further costs for the maintenance of the Town Hall over the next financial year will be taken from the Designated Reserve for Building Maintenance, which has decreased after initial expenditure for 2018-19 and further expenditure in 2019-20 and 2020-21. It must be noted that the remaining balance in the Designated Reserve is insufficient to cover the estimated remaining costs and will need to be replenished or supplemented from the General Reserve at some point.
- Members will also note the Designated Reserve for Shakespeare's Birthday Celebrations shows a decrease of £10,529 from the previous year. The Town Council facilitates the organisation of the Celebrations and acts as the 'banker'. With the cancellation of the event in April 2021, there were no grants received or income received but expenditure was still incurred to cover equipment storage costs. The figure of £62,518 represents the balance in the accounts as at the 31 March 2021.

As per the change introduced four years ago, the policy of including accruals, prepayments and deferred income relating to these activities elsewhere in the Town Council's accounts is no longer being used, which has resulted in greater transparency of funds available throughout the financial year. Because of the cancellation of the event in 2021, the full budget contribution of the District Council for 2021-22 has not been received, but a contribution towards a share of the costs for the virtual event in 2021 has subsequently been received. The Town Council's budget contribution of £25,000 has been taken in 2021-22 so the latest Management Accounts as at the end of May 2021 will show an increase in the "pot" available for funding next year's event (COVID-19 pandemic restrictions allowing).

- As already mentioned above, additional funds have been transferred to other Designated Reserves. These were in line with budget decisions and minutes from Standing Committees and Town Council meetings.

Therefore, the revised Designated Reserves at 31 March 2021 show a net increase of £56,378 and Reserves are now reported as:

Building Maintenance	£127,000
Cemetery Land & Building Maintenance	£ 45,400
Allotment	£ 7,162
Election Expenses	£ 23,462
Vehicle Replacement	£ 17,500
Shakespeare Birthday Celebrations (SBC)	£ 62,518
Community Infrastructure Levy (CIL)	£ 7,843
Christmas Festival	£ 7,154
Holy Trinity Churchyard & Monuments	£ 20,000
Events	£ 5,000
Street Furniture	£ 5,000
NDP Town Centre Strategic Partnership	£ 12,000
Climate Change Reserve	£ 19,934
Community Support Reserve	£ 5,000
Total Designated Reserves	£364,973
General Reserve	£261,024
Total Reserves	£625,997

Note – the Financial Statements are required to show figures for Fixed Assets, but Members should be aware these only reflect valuations of the Council’s assets at a point in time and do not indicate funds available to finance the Council’s ongoing activities.

Members are requested to approve the Financial Statements (Annual Accounts).

2) Annual Governance and Accountability Return 2020/2021

- **To approve the Annual Governance Statement 2020/2021 of the Annual Governance and Accountability Return**
- **To approve the Accounting Statements 2020/2021 of the Annual Governance and Accountability Return**

The Council’s Internal Auditor, H L Barnes, has completed their annual internal audit which is required for the Annual Governance and

Accountability Return (AGAR). Following their work, no issues or items have been identified which require further attention or response.

The Internal Audit Report, together with the other pages of the AGAR, are attached as **Appendix 'B', 'C' and 'D'**.

Following the outcome of the Finance and Audit Pre-Decision/Discussion Consultation meeting on 8 June 2021, the Chairman Councillor Coles will lead on this issue and will, if necessary, provide a further verbal account in support of the RECOMMENDATION that Council approve the Annual Governance and Accountability Return, which includes the Annual Internal Audit Report, Annual Governance Statement and Accounting Statements for the year 2020/21.

In line with official guidance, the documents should be approved by Council in the following order:

2.1) Section 1 – Annual Governance Statement 2020/21

2.2) Section 2 – Accounting Statements 2020/21

Responsible Financial Officer
9 June 2021